

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Voluntary Public

Date: 9/21/2012

GAIN Report Number:

Costa Rica

Post: San Jose

Exporter Accomplishments 2010-2012

Report Categories:

Export Accomplishments - Other

Export Accomplishments - Events

Export Accomplishments - Trade Leads

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Report Highlights:

FAS San Jose reports its success in aiding the growth of U.S. exports to Costa Rica from 2010 to 2012.

Executive Summary:

FAS San Jose is pleased to report on its success in promoting U.S. agricultural exports through connecting markets in the U.S. and Costa Rica. FAS San Jose endeavors to facilitate new business relationships that lead to increased market access for U.S. food products abroad through a number of strategies. This report details FAS San Jose's achievements in enhancing U.S. exports through trade shows, the Cochran Program, support of U.S. cooperators, and assistance to exporters and importers of U.S. products.

Successful Market Connections:Trade Shows

FAS San Jose reports that its continued presence at the America Food and Beverage (AFB) Trade Show in Miami, Florida continues to achieve the creation of new business partnerships that lead to increased market access for U.S. food products. Each year FAS San Jose leads a delegation of Costa Rican participants to the trade show as a way to promote ongoing opportunities that exist to export American food products.

1. In 2010 Costa Rican importer Delika was invited to be a part of the FAS delegation to the AFB trade show. During this trip Delika negotiated with Certified Angus Beef, a company based in Wooster, Ohio, about the possibility of becoming a distributor of their products in Costa Rica. Negotiations were productive and in January 2011 Delika became the distributor of the Certified Angus Beef brand. Delika reported to FAS San Jose that they have "surpassed all sales expectations and are creating a name for the brand [Certified Angus Beef] in Costa Rica". As stated by Delika: "...FAS has been a driving force for these negotiations and is always a very valuable resource for our company. As 80% of our products are imported from the United States, these trade shows are pivotal for the success of future business and the growth of U.S. products in the Costa Rican market". Delika's orders placed with Certified Angus Beef totaled \$96,000 between December 2010 and June 2011; since then Delika has placed more orders with Certified Angus Beef and appreciates ongoing business with the company.

2. At the 2011 AFB trade show Mundo Celiaco, a Costa Rican distribution firm in the delegation brought by FAS San Jose discovered Grace Island Specialty Foods. Grace Island Specialty Foods is a locally-developed business from Garret, Indiana that produces high-quality snack foods using as many regional ingredients as possible; Mundo Celiaco had an immediate interest in introducing these products to the Costa Rican market. As a result of FAS San Jose's efforts to coordinate trade show participation and assistance to Mundo Celiaco, they are now in the process of beginning to import all four lines of Grace Island Specialty Foods Baked Cheese Crisps.

Cochran Program

The Cochran Program is a priority for FAS San Jose. FAS San Jose annually sends highly-qualified Costa Rican participants to a variety of trainings in the U.S. which most recently have included:

agricultural statistics, biotechnology, FSIS meat and poultry inspection, FSIS residue laboratory training, food training, wine marketing and merchandising, and fruit and vegetable fumigation training. In addition to the increased connections this program has created for Costa Rica and the U.S., FAS San Jose reports that it also serves to boost U.S. exports as reported below.

1. As part of the 2011 Cochran Program FAS San Jose coordinated a delegation to participate in a wine marketing and merchandising program along the West Coast of the United States. A member of this delegation was a representative of Delika, a Costa Rican food distribution and import company who later reported that, “thanks to this course we were able to get access to vineyards we normally would not have seen... [but] the most successful meeting came when we visited Frey Ranch”. Frey Ranch is owned by E&J Gallo of Modesto, California, who contacted Delika after the visit about the possibility of becoming a distributor of E&J Gallo products in Costa Rica. As a result of this contact, Delika is now a vendor of E&J Gallo and received their first container of wines in October 2012. Delika has invested significant funds in this project as part of their commitment to importing U.S. wines from E&J Gallo.

Cooperator Assistance

Working with cooperators is critical part of FAS’s mission and pivotal to promoting U.S. agricultural products abroad. FAS San Jose constantly works to collaborate with cooperators looking to do business in Costa Rica.

1. In 2012 the United States Meat Export Federation (USMEF) of Denver, Colorado was seeking Costa Rican participation in an industry sponsored training event on beef cuts and meat production; they turned to FAS San Jose to ask for potential interested parties. FAS San Jose was happy to offer assistance and recommended Retana and Salmeron as a possible attendee. Retana and Salmeron is a Costa Rican food distribution company that has been influential in introducing frozen meat cuts to the hotel and restaurant sector in Costa Rica and FAS San Jose was confident they would be a good contact for USMEF. The contacts that Retana and Salmeron were able to develop at the industry training resulted in the company making further contact with U.S. beef suppliers at the Latin American Product Showcase in Colombia. It was at this event that Retana and Salmeron established a relationship with Quirch Foods of Miami, FL, a distributor of frozen foods. Retana and Salmeron’s first order with Quirch Foods included 4 different beef cuts, totaling 15,000 cuts at an estimated cost of \$45,000. Retana and Salmeron are pleased with their order and hope to be able to directly import U.S. meat products in the future.

Facilitation of Product Registration

Costa Rica’s import procedures and regulations are known to be cumbersome, timely, and complicated for importers and exporters alike. As of December 14, 2011 Costa Rica reformed its import procedures in an attempt to alleviate the import/export process. These new changes have significantly altered the way in which imports enter Costa Rica and FAS San Jose has been providing up-to-date support for

exporters and importers adapt to these new regulations. FAS is pleased that its continued efforts to facilitate product registration during this time of transition have advanced the import of U.S. agricultural and food products into Costa Rica.

1. FAS San Jose was able to build successful connections between U.S. food distributor Grovara of Blue Bell, Pennsylvania and Mundo Celiaco and Superficies Solidas, Costa Rican food distribution companies. Grovara, a company that distributes food products from small to mid-sized American food processors, contacted FAS San Jose in January 2012 eager to enter the growing market for specialty health foods in Costa Rica. Grovara was seeking to expand its distribution and requested assistance from FAS San Jose in doing so. FAS San Jose helped Grovara enter the Costa Rican market by providing them with the contacts and information they needed to begin to export U.S. products to Costa Rica. With assistance from FAS San Jose, Grovara found new buyers of Probar, an organic snack bar product produced by PROBAR based in Salt Lake City, Utah. Grovara's new partnerships also led to the debut of dried fruit snack products from Healthy Munchy of Los Angeles, California in Costa Rica.

FAS San Jose aided Grovara throughout the complicated product registration process for Probar and Healthy Munchy snacks and ensured that the export process went smoothly. By June 2012, less than a year after originally contacting FAS San Jose, Mundo Celiaco had completed the registration for Probar and placed its first order for a sample worth \$18,000. Following this sample an order totaling approximately \$120,000 was placed by Mundo Celiaco for a container of products. Mundo Celiaco anticipates continued orders of Probar from Grovara pending demand. Healthy Munchy sales have also been fruitful; they have totaled between \$30,000 and \$60,000 per container ordered. FAS San Jose is excited to nurture these kinds of buyer-seller relationships that lead to new markets for U.S. food products.

2. The premier of Costa Rica's first Starbucks in June 2012 created quite the buzz in San Jose and lines out the door have not disappeared since its grand opening. However, before Starbucks' monumental launch the Costa Rican Starbucks branch contacted FAS San Jose for information regarding product registration for several of the brand's well-known food products. FAS San Jose consulted with Costa Rica's Ministry of Health and relayed the information it gathered to Starbucks. This assistance expedited the product registration process and Starbucks San Jose was able to open its doors with its trademarked products that are incredibly popular with Costa Rican consumers.

3. After the 2011 AFB trade show where Mundo Celiaco connected with Grace Island Specialty Foods, FAS San Jose followed through for its support of U.S. exports by providing assistance to Mundo Celiaco to navigate the product registration process for the four products of Grace Island Specialty Foods that it wished to import for future sale in Costa Rica. FAS San Jose is pleased that its role as a facilitator and promoter of U.S. agricultural exports successfully benefited an entrepreneurial start-up company such as Grace Island Specialty Foods and overall increased the visibility of American food

products.